GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:129
ANSWERED ON:05.08.2013
DE NOTIFICATION OF SEZS
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has given nod for denotifying the Special Economic Zones (SEZs) in some States and if so, the details therof and reasons therefor;

(b) the details of the total funds allocated and utilised for setting up of SEZs across the country;

(c) the details of the total exports made, foreign exchange earned, employment opportunities generated, land acquired and utilised for setting up of SEZs along with their total value thereof, State-wise during each of the last three years and the current year;

(d) whether the acquisition of land for setting up of SEZs has adversely affected the livelihood of the farmers in such areas and if so, the reaction of the Government thereto; and

(e) the action taken by the Government to protect the interests of the farmers and provide employment to those displaced persons by such acquisition?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a) Board of Approval on Special Economic Zones (SEZs) has approved 58 such requests for de-notification of SEZs till 31st July, 2013. The reasons given by developers for de-notification include global economic slowdown, poor market response, non-availability of skilled labour force, lack of demand for space, changed fiscal incentives regime for SEZs etc

(b) SEZs being set up under the SEZ Act, 2005 are primarily private investment driven. No funds are allocated by the Central Government for setting up of SEZ.

(c) The Exports from SEZs, Employment and Investment in SEZs during the last three years and the current financial year are as under:

Financial Year	Exports (Rs. crore)	Employment# (Rs. crore)	Investment#
2010-2011	3,15,868	6,76,608	2,02,810
2011-2012	3,64,478	8,44,916	2,01,875
2012-2013	4,76,159	10,74,904	2,36,717
2013-2014 (April, 2013 to June, 2013)	1,13,299	11,35,649	2,60,252

calculated on cumulative basis.

(d) and (e) As per Entry No. 18 of the State List in the 7th Schedule to the Constitution of India, land is a State subject. The Board of Approval approves a proposal for establishment of a SEZ subject to the requirements of minimum area of land and other terms and conditions prescribed in the SEZ Act and Rules. The approval for setting up of a SEZ is given on the recommendations of the State Government. Issues related to availability/provisioning of land for SEZs are in the domain of the State Government concerned. As per information made available by the SEZ developers in respect of a sample of 381 SEZs, 82.3% of land is waste/barren/ dry /industrial, 15% of land is single crop and 2.7% of land is double crop. As on 31st July, 2013, 576 formal approvals for SEZs covering a total area of 61,829 hectares have been granted. As on 30th June, 2013, SEZs have generated direct employment for approximately 11,35,649 persons. This is over and above the employment generated by SEZ developers for development of SEZ infrastructure. Studies commissioned by the Department of Commerce have shown that SEZs have created a significant local area impact in terms of direct as well as indirect employment, emergence of new activities, changes in consumption pattern and positively impacted socio-economic development contributed to creation of social infrastructure such as education, healthcare etc.